

EXHIBIT 11

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE SOUTHERN DISTRICT OF NEW YORK
3 -----X
4 H. CRISTINA CHEN-OSTER; LISA PARISI;
5 and SHANNA ORLICH,

6 Plaintiffs,

7 - against -

8 GOLDMAN, SACHS & CO. and THE GOLDMAN
9 SACHS GROUP, INC.,

10 Defendants.

11 CASE NO.: 10-cv-06950 (LBS) (JCF)
12 -----X

13 * * * C O N F I D E N T I A L * * *

14 250 Hudson Street
15 New York, New York
16 June 12, 2013
17 9:37 a.m.

18
19 VIDEOTAPED DEPOSITION of BRUCE
20 LARSON, taken by the Plaintiffs, pursuant to
21 Notice, before Karen Perlman, RPR, CRR, a
22 Shorthand Reporter and Notary Public within and
23 for the State of New York.
24
25

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**DECLARATION OF THEODORE O. ROGERS, JR.
IN OPPOSITION TO PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 6-57)**

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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 Communication Guide for HCM.</p> <p>2 Q. Could you please take a look at page</p> <p>3 2. You'll see in boldface type it reads, "The</p> <p>4 Compensation Recommendation Process." Do you see</p> <p>5 that?</p> <p>6 A. Mm-hmm.</p> <p>7 Q. And there are -- it's -- it reads,</p> <p>8 "Our process is disciplined and extensive," and</p> <p>9 there are three bullet points beneath that.</p> <p>10 Do you see that?</p> <p>11 A. Mm-hmm.</p> <p>12 Q. Can you please read those three</p> <p>13 bullet points to yourself.</p> <p>14 A. Okay.</p> <p>15 Q. Is this an accurate characterization</p> <p>16 of the compensation recommendation process for</p> <p>17 IBD?</p> <p>18 MS. HAN: Objection, form.</p> <p>19 A. It is accurate at a very high level.</p> <p>20 Q. Sure.</p> <p>21 Take a look at the first bullet</p> <p>22 point. Who at the divisional level receives the</p> <p>23 initial aggregate compensation budget?</p> <p>24 A. The heads of the division. The</p> <p>25 heads of the business.</p>
Page 59	Page 61
<p>1 distribute written guidelines or materials to</p> <p>2 compensation managers on how to determine</p> <p>3 individual compensation?</p> <p>4 MS. HAN: Objection, form.</p> <p>5 A. Guidelines are typically distributed</p> <p>6 to compensation managers from the IBD HCM team</p> <p>7 with input and conversation with members of the</p> <p>8 IBD comp committee.</p> <p>9 Q. Is the IBD HCM team responsible for</p> <p>10 distributing those policies?</p> <p>11 MS. HAN: Objection.</p> <p>12 Q. Those guidelines, excuse me.</p> <p>13 A. Guidelines, yeah.</p> <p>14 MS. SHAVER: I would like to mark</p> <p>15 the next exhibit, please.</p> <p>16 (Plaintiff's Exhibit 130, document</p> <p>17 entitled, "2006 Detailed Compensation</p> <p>18 Communication Guide For HCM" bearing Bates</p> <p>19 numbers GS 0113858 - GS 0113882, marked for</p> <p>20 identification.)</p> <p>21 Q. Mr. Larson, do you recognize this</p> <p>22 document?</p> <p>23 A. I'm familiar with it, yeah.</p> <p>24 Q. Can you tell me what it is?</p> <p>25 A. It is the 2006 Detailed Compensation</p>	<p>1 Q. Take a look at bullet two, please.</p> <p>2 Could you please describe for me the investment</p> <p>3 banking's internal process for managers to make</p> <p>4 individual employee total compensation</p> <p>5 recommendations?</p> <p>6 MS. HAN: Objection, form.</p> <p>7 Q. I realize there is a lot in there.</p> <p>8 So maybe you can give me, you know, an overview</p> <p>9 of how it works.</p> <p>10 A. It starts with the heads of the</p> <p>11 business giving guidance, which is either in the</p> <p>12 form of a percentage or a dollar budget to the</p> <p>13 various business unit leaders within the</p> <p>14 investment banking division.</p> <p>15 Q. And what's the next step?</p> <p>16 A. Those business unit leaders and the</p> <p>17 compensation managers beneath them work to</p> <p>18 develop compensation recommendations for the</p> <p>19 people for whom they're responsible.</p> <p>20 Q. And what's the next step?</p> <p>21 A. After extensive discussions with a</p> <p>22 number of people within the various business</p> <p>23 units to generate those recommendations, they're</p> <p>24 submitted to the IBD HCM team.</p> <p>25 Q. Okay. What's the next step?</p>

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<p>1 A. The HCM team reviews those to ensure 2 that they have complied with the guidelines and 3 guidance that the managers were given to develop 4 those compensation recommendations. 5 Q. And what's the next step? 6 A. In the event that they haven't 7 completely complied, there is back and forth to 8 correct whatever recommendations were out of 9 compliance in preparation for a meeting of the 10 IBD Compensation Committee. 11 Q. Okay. What's the next step? 12 A. There will be a fairly lengthy 13 meeting, sometimes two days long, where the 14 individual business unit leaders and compensation 15 managers have the opportunity to come and discuss 16 and present their recommendations to the 17 compensation committee. 18 Q. Okay. And what's the next step? 19 A. In those meetings, the comp managers 20 have to support the recommendations that they've 21 made. There is questioning that takes place to 22 ensure consistency across regions and business, 23 where appropriate. 24 Q. And what's the next step? 25 A. And as part of that meeting,</p>	<p>1 A. Yes. 2 Q. When you were a member of that 3 committee, do you ever recall reviewing 4 individual compensation recommendations from a 5 divisional level? 6 MS. HAN: Objection, this is outside 7 the scope of his designation. 8 If you recall, you may answer in your 9 personal capacity. 10 A. The review was primarily at a high 11 level. There were some individual compensation 12 recommendations reviewed for some of the senior 13 most people. 14 Q. And what's the next step after the 15 firm-wide compensation committee reviews the 16 numbers that the divisional compensation 17 committee has sent them? 18 A. That team would review that analysis 19 with the head of HCM, and oftentimes the CFO. 20 And additional guidance may be -- may or may not 21 be given back to the businesses based on that 22 review. 23 Q. And if additional guidance is given 24 back, what is the next step? 25 A. It really depends on the nature of</p>
Page 63	Page 65
<p>1 individual compensation recommendations for the 2 seniormost people in the division are discussed 3 and -- and reviewed. 4 Q. I'm sorry. Are those the people who 5 wouldn't have recommendations from the business 6 unit leaders or compensation managers? 7 A. No. 8 MS. HAN: Objection, vague. 9 A. They would be the senior most people 10 on the list of names that the compensation 11 managers have provided compensation 12 recommendations for. 13 Q. Thank you. 14 And what's the next step? 15 A. Those compensation recommendations 16 are aggregated at the divisional level and 17 submitted to the firm -- the firm-wide 18 compensation team for their review. 19 Q. And what's the next step? 20 A. The firm-wide comp team reviews the 21 aggregated recommendations to ensure that they 22 are in compliance with the guidelines that the 23 businesses were given. 24 Q. You were, at one point, a member of 25 the firm-wide compensation team, right?</p>	<p>1 that guidance. 2 Q. What kinds of feedback are you aware 3 that The IBD Compensation Committee has received 4 from the firm-wide compensation committee? 5 MS. HAN: Objection, vague. 6 A. As an example, the guidance might be 7 the business environment is deteriorating from 8 the time we started the compensation process, so 9 your overall budget you were working with is 10 being reduced, revise your recommendations to be 11 in compliance with that, as an example. 12 Q. Okay. Let's stick with that example 13 for a minute. In that case, what would be the 14 next step at the division level? 15 Would -- for example, would the 16 division reduce all individuals' recommendations 17 on a percentage basis, or would you go through 18 the whole process of recommending individual 19 compensation again? 20 MS. HAN: Objection, form. 21 A. The type of guidance that the 22 business would give to the managers would depend 23 on the size and nature or magnitude of the 24 change. In some cases, it would be a 25 programmatic change, in other cases it would be</p>

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<p>1 very -- more specific guidance with regards to 2 a -- a certain level of employee or a certain 3 region or certain business. 4 Q. So after the -- let's assume that 5 the division needs to rework it's numbers and 6 does so, then what would be the next step? 7 MS. HAN: Objection, it's been asked 8 and answered. 9 A. Similar to the first round of 10 guidance, we would have another -- sometimes a 11 meeting of the comp committee to review those 12 numbers again, sometimes not, depending on the -- 13 the nature of the changes that were being 14 required. And those would be resubmitted to the 15 firm. 16 Q. And once the firm-wide committee 17 approves the numbers, what's the next step? 18 MS. HAN: Objection, misstates prior 19 testimony. 20 A. Once the firm-wide compensation 21 committee reviews those numbers, and we're at the 22 end of the process, then the divisions begin to 23 prepare for communicating that compensation, 24 which happens sometime later. 25 Q. This process of -- that you've just</p>	<p>1 of the compensation committee are either managing 2 directors or partners and, therefore, have a 3 consistent salary based on that title. 4 MS. SHAVER: Please mark this as the 5 next exhibit. 6 (Plaintiff's Exhibit 131, document 7 bearing Bates numbers GS 0116930 - GS 8 0116933, marked for identification.) 9 Q. Are you familiar with this document? 10 A. Yes. 11 Q. Can you tell me what it is? 12 A. I believe this is a memo to the 13 compensation managers within IBD with regards to 14 the guidelines for the comp process for 2009. 15 Q. Is it typical that in each year the 16 IBD compensation team sends a memo to the 17 compensation managers to launch the compensation 18 process? 19 A. Yes. 20 Q. And the IBD compensation team, I 21 believe you testified earlier, the -- the HCM 22 team focused on the compensation process; is that 23 right? 24 A. That's correct. 25 Q. And how are IBD compensation</p>
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<p>1 described for me, is this referred to as rounds? 2 A. Yes, it can be. 3 Q. Is it fair to say that the number of 4 rounds that IBD has each year varies? 5 A. Yes. 6 Q. Is there always at least one round? 7 A. Yes. 8 Q. Is there always two rounds? 9 A. No. 10 Q. Do all compensation managers in IBD 11 have to come in to the compensation committee 12 meeting and support their recommendations? 13 MS. HAN: Objection, form. 14 A. Typically all of them do come in and 15 discuss their recommendations. 16 Q. And has that -- has that been true 17 from 2002 to the present? 18 A. I believe so. 19 Q. How are the members of the 20 compensation committee's salaries set? 21 MS. HAN: Objection, this is outside 22 the scope of Mr. Larson's designation. And 23 its vague. 24 A. The salaries at the firm are 25 typically set by level. And all of the members</p>	<p>1 managers defined? 2 MS. HAN: Objection, vague. 3 A. They are the people within the 4 division who have responsibility to submit 5 compensation recommendations for the populations 6 beneath them. 7 Q. And is it accurate that each year 8 this e-mail or memo will attach a link to the 9 compensation recommendations system where those 10 managers will find their populations listed? 11 MS. HAN: Objection, form. 12 A. I don't know if that link was 13 provided every year. But there is direction on 14 how to submit your recommendations. 15 Q. If you will look here, in the e-mail 16 that was sent on Monday, October 26, 2009, in the 17 first paragraph, the third sentence, it reads, 18 "Attached is the link to CRS, where you will find 19 your population along with relevant review scores 20 and historical compensation information." 21 Do you see that? 22 A. Mm-hmm. 23 Q. What are the relevant review scores 24 that are listed in CRS? 25 MS. HAN: Objection, form.</p>

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1	A. I believe the review scores that are	1	REDACTED FILED UNDER SEAL
2	listed in CRS are the employee performance review	2	
3	scores for that year.	3	
4	Q. Is that the 360 degree review	4	
5	scores?	5	
6	A. Yes.	6	
7	Q. The next sentence reads, "The 2009	7	
8	manager performance quartiles will be displayed	8	
9	in the system later this week after the results	9	
10	have been analyzed."	10	
11	Do you see that?	11	
12	A. Yes.	12	
13	Q. Do you know what it -- means when it	13	
14	says, "after the results have been analyzed"?	14	
15	A. Yes.	15	
16	Q. What does that mean?	16	
17	A. The managers submit their quartile	17	
18	recommendations to HCM, who looks at that to	18	
19	ensure that there has been a mathematical --	19	
20	mathematical compliance with the parameters	20	
21	around the quartiling process.	21	
22	Q. With the forced distribution and so	22	
23	forth?	23	
24	MS. HAN: Objection, misstates	24	
25	testimony.	25	
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1	A. With the guidelines given as to how	1	REDACTED FILED UNDER SEAL
2	they're supposed to populate the quartiling	2	
3	information.	3	
4	Q. Are the manager performance	4	
5	quartiles always available prior to the deadline	5	
6	for managers to submit their first round	6	
7	compensation?	7	
8	A. I believe so.	8	
9	Q. Can you take a look at the	9	
10	attachment to this e-mail, which is the 2009 IBD	10	
11	junior banker guidelines.	11	
12	A. Mm-hmm.	12	
13	Q. I believe you testified earlier that	13	
14	these guidelines are created by the junior banker	14	
15	subcommittee of the IBD Compensation Committee.	15	
16	Is that right?	16	
17	A. These guidelines are reviewed with	17	
18	and received input from, among other places, the	18	
19	junior banker committee -- subcommittee.	19	
20	Q. What -- who else reviews these	20	
21	guidelines?	21	
22	A. The HCM comp team, the CFO of the	22	
23	division, typically the COO of the division, and	23	
24	the division heads of the business.	24	
25	Q. Is it fair to say that the junior	25	

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**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 74-77)**

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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 the firm-wide comp committee?</p> <p>2 A. So I want to clarify something that</p> <p>3 I said there. The firm-wide comp committee was</p> <p>4 in place when I was head of HR. It -- there has</p> <p>5 not been a firm-wide comp committee in place for</p> <p>6 at least about the last decade. So the numbers</p> <p>7 that get reviewed at the firm-wide level are</p> <p>8 reviewed by the CFO and the numbers that he is</p> <p>9 reviewing are the budgets that the businesses</p> <p>10 were given, so I wanted to clarify that.</p> <p>11 Q. Could that decision, that the</p> <p>12 division needs greater differentiation, also be</p> <p>13 made by the firm-wide comp team?</p> <p>14 MS. HAN: Objection, form.</p> <p>15 A. Generally, it wouldn't come from the</p> <p>16 firm-wide comp team. The firm-wide comp team's</p> <p>17 review of the numbers is meant more to ensure</p> <p>18 that the submission was in compliance with the</p> <p>19 budget that was given to the business.</p> <p>20 Q. And does the budget come from the</p> <p>21 firm-wide comp team rather than the firm-wide</p> <p>22 comp committee within the past decade?</p> <p>23 A. No, it comes from the CFO.</p> <p>24 Q. It comes from the CFO. Thanks.</p> <p>25 Okay. Any other reasons that</p>
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<p>1 11:44 a.m. on June 12, 2013, we're now back</p> <p>2 on the record. You may proceed.</p> <p>3 Q. Other than less money being</p> <p>4 available for compensation in IBD, what are other</p> <p>5 reasons that compensation recommendations might</p> <p>6 change after round one?</p> <p>7 MS. HAN: Objection, form.</p> <p>8 A. There might be more money available.</p> <p>9 Q. Okay. Any other reasons?</p> <p>10 A. The division might be given guidance</p> <p>11 that it needs to have greater differentiation at</p> <p>12 a particular level in the organization or --</p> <p>13 Q. What do you mean by that?</p> <p>14 A. A greater distribution of increases</p> <p>15 or decreases with regards to a certain level of</p> <p>16 employee.</p> <p>17 Q. And where would that guidance come</p> <p>18 from?</p> <p>19 MS. HAN: Objection, vague, and</p> <p>20 misstates prior testimony.</p> <p>21 A. That might be a decision made by</p> <p>22 divisional management. It might be direction</p> <p>23 given from the CFO who reviews whether or not the</p> <p>24 division is hitting its target that it was given.</p> <p>25 Q. Could it also be a direction from</p>	<p>1 compensation recommendations might change from</p> <p>2 round one, other than less money, more money, or</p> <p>3 greater differentiation?</p> <p>4 MS. HAN: Objection, form.</p> <p>5 A. There are a number of different</p> <p>6 inputs into arriving at the judgment as to what</p> <p>7 is the right aggregate comp level for the</p> <p>8 business. So there might be some new</p> <p>9 benchmarking information that we receive with</p> <p>10 regards to our junior bankers that might cause us</p> <p>11 to think about a particular element of those</p> <p>12 guidelines, as an example.</p> <p>13 Q. Is it IBD's practice to allow for at</p> <p>14 least two meetings of the IBD Compensation</p> <p>15 Committee to review compensation in the event</p> <p>16 that there may have been some changes, such as</p> <p>17 the ones we've just discussed, since round one?</p> <p>18 MS. HAN: Objection, form.</p> <p>19 A. If the nature of the changes are</p> <p>20 broad and warrant the committee getting together</p> <p>21 to review them again, they typically would. But</p> <p>22 not necessarily in the case of a smaller, more</p> <p>23 targeted adjustment.</p> <p>24 Q. In your experience, has there ever</p> <p>25 been a year where the compensation committee and</p>

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<p>1 IBD only met once to review compensation 2 proposals? 3 MS. HAN: Objection. 4 This is outside the scope of your 5 designation. If you recall personally, 6 then you may answer. 7 A. Yes, I can recall when it only met 8 once. 9 Q. And do you recall what year or years 10 that was? 11 A. It met once last year, and may have 12 met once another year, but I don't recall exactly 13 when. 14 Q. Are you familiar with the investment 15 banking division performance assessment and 16 variable compensation framework effective January 17 1st, 2011? 18 A. Could you read that again? 19 Q. Are you familiar with the investment 20 banking division performance assessment and 21 variable compensation framework effective January 22 1st, 2011? 23 MS. HAN: Counsel, if there is a 24 document that you would like to show the 25 witness, he has to look at it.</p>	<p>1 MS. HAN: I just want to ask, for 2 the record, is this one document or -- it 3 looks like it may be more than one document 4 stapled together. 5 MS. SHAVER: This is the order in 6 which it was produced to counsel. It looks 7 as if it was produced out of order. But to 8 avoid confusion on the record, I produced 9 consecutive Bates numbers. 10 Q. It looks to me as if the page that I 11 just pointed you to should be the first page. It 12 reads, "Manager guidelines." 13 Was this document distributed to 14 managers in IBD? 15 A. I believe it would have been. 16 Q. Okay. And do you know who created 17 this document? 18 A. I don't recall specifically who did. 19 Q. Okay. To the best of your 20 knowledge, would it have come from firm-wide 21 comp? 22 A. Most likely. 23 Q. Would you take a look at the second 24 page, the page behind that, it's Bates stamped GS 25 0122589, at the very bottom.</p>
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<p>1 A. I'm generally familiar with that 2 term, but I -- it can mean a lot of different 3 things, so... 4 Q. Okay. Why don't we come back to 5 that. I want to focus right now on the time 6 period from 2002 to 2010. 7 MS. SHAVER: Please mark this as the 8 next exhibit. 9 (Plaintiff's Exhibit 132, document 10 entitled, "(1) Guidelines For the Manager 11 Performance Rank, bearing Bates numbers GS 12 0122587 - GS 122598, marked for 13 identification.) 14 Q. Please take a minute to flip through 15 the document. 16 Are you familiar with this document? 17 A. Generally familiar, yes. 18 Q. Can you tell me what it is? 19 A. It looks like guidelines for 20 managers to determine the manager quartile for 21 employees. 22 Q. And if you will turn to the fourth 23 page. It reads, "New procedures for 2006," 24 correct? 25 A. Mm-hmm.</p>	<p>1 A. Yes. 2 Q. Do you see the first bullet point at 3 the top of the page reads, "The compensation 4 proposal for each individual should reflect" -- 5 and then there are four bullet points. And the 6 fourth bullet point has subpoints. 7 Do you see that? 8 A. Hm-hmm, yes. 9 Q. Could you take a minute to read 10 those to yourself, please. 11 A. All of the bullets? 12 Q. Mm-hmm? 13 A. Mm-hmm. Okay. 14 Q. Is this an accurate summation of the 15 factors that should go into each individual's 16 compensation proposal for IBD? 17 MS. HAN: Objection, form. 18 A. I believe it's accurate at a high 19 level. 20 Q. How do -- and again, this document 21 is from 2006. So focused again on the 2002 to 22 2010 time frame, how do managers determine P&L 23 impact in the current year in IBD? 24 MS. HAN: Objection, form. 25 A. They first look at the overall</p>

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<p>1 profitability of a business unit or product group</p> <p>2 or region at -- at a high level. They then try</p> <p>3 to determine what role a particular individual</p> <p>4 might have had in contributing to that.</p> <p>5 Q. And what training were managers</p> <p>6 given in that time period on how to evaluate what</p> <p>7 role an individual had in the business unit or</p> <p>8 product groups profitability?</p> <p>9 MS. HAN: Objection, form.</p> <p>10 A. Managers would be provided with</p> <p>11 information to help them understand the</p> <p>12 contributions that individuals have made in the</p> <p>13 course of their business for that year.</p> <p>14 Q. Who would provide them with that</p> <p>15 information?</p> <p>16 A. That information would, in the</p> <p>17 investment banking division, typically come</p> <p>18 through the CFO's team.</p> <p>19 Q. And that's true from the period 2002</p> <p>20 to 2010?</p> <p>21 A. I believe it would be.</p> <p>22 Q. And what information would the CFO's</p> <p>23 team provide managers to help them understand the</p> <p>24 contributions that individuals made each year?</p> <p>25 MS. HAN: Objection, form.</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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IN OPPOSITION TO PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 90-109)**

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Page 110	Page 112
<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 MS. HAN: Oh.</p> <p>2 A. You're reading just that bottom of</p> <p>3 that first paragraph?</p> <p>4 Q. Yes.</p> <p>5 A. Mm-hmm.</p> <p>6 Q. Sorry. Was that a yes?</p> <p>7 A. Yes.</p> <p>8 Q. Thank you.</p> <p>9 You'll see on the opposite page</p> <p>10 there is a schedule of appendixes. I'm going to</p> <p>11 hand you a series of documents and ask you</p> <p>12 whether they reflect the appendixes listed here?</p> <p>13 A. Okay.</p> <p>14 MS. SHAVER: Please mark this as the</p> <p>15 next exhibit.</p> <p>16 (Plaintiff's Exhibit 135, document</p> <p>17 bearing Bates numbers GS 0122900 - GS</p> <p>18 0122903, marked for identification.)</p> <p>19 Q. Is this document, Appendix C, the</p> <p>20 IBD Covered Employee Chart?</p> <p>21 A. Yes.</p> <p>22 MS. SHAVER: Please mark this as the</p> <p>23 next exhibit.</p> <p>24 (Plaintiff's Exhibit 136, document</p> <p>25 bearing Bates numbers GS 0122907 - GS</p>
Page 111	Page 113
<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 0122912, marked for identification.)</p> <p>2 Q. Is this document, Appendix B, the</p> <p>3 IBD Inherit Risks Document?</p> <p>4 A. It looks like it, yeah.</p> <p>5 MS. SHAVER: Please mark this one.</p> <p>6 (Plaintiff's Exhibit 137, document</p> <p>7 bearing Bates numbers GS 0122958 - GS</p> <p>8 0122961, marked for identification.)</p> <p>9 Q. Is this document, Appendix A, the</p> <p>10 Divisional Compensation Committee Process</p> <p>11 Checklist?</p> <p>12 A. Yes.</p> <p>13 Q. Does the investment banking division</p> <p>14 have a separate specific DCC checklist?</p> <p>15 A. I don't believe so.</p> <p>16 (Plaintiff's Exhibit 138, document</p> <p>17 bearing Bates numbers GS 0122904 - GS</p> <p>18 0122906, marked for identification.)</p> <p>19 Q. Is this document, Appendix D, the</p> <p>20 IBD Divisional Metrics Chart?</p> <p>21 A. Yes.</p> <p>22 Q. Okay. Thanks. Sorry for the</p> <p>23 tedious exercise. Now we have the whole document</p> <p>24 in front of us.</p> <p>25 Who created the investment banking</p>

<p style="text-align: right;">Page 114</p> <p>1 division performance assessment invariable</p> <p>2 compensation framework?</p> <p>3 A. It was created with input from the</p> <p>4 IBD HCM team, the business leaders within</p> <p>5 investment banking, the CFO, the COO, and input</p> <p>6 from the firm-wide compensation team, I believe.</p> <p>7 Q. Who owns the document?</p> <p>8 MS. HAN: Objection, vague.</p> <p>9 A. What do you mean by "owns"?</p> <p>10 Q. Who has responsibility for updating</p> <p>11 it and maintaining it?</p> <p>12 A. I believe the IBD H -- HCM team.</p> <p>13 Q. If you will turn to Exhibit 138, the</p> <p>14 Divisional Metrics Chart.</p> <p>15 A. Mm-hmm.</p> <p>16 Q. Who created this list?</p> <p>17 A. The IBD HCM team with input from the</p> <p>18 CFO of the investment banking division, the chief</p> <p>19 of staff of the investment banking division,</p> <p>20 certain senior members of the financing group</p> <p>21 within the investment banking division, and input</p> <p>22 from the firm-wide comp team.</p> <p>23 Q. Could you turn, please, to page 17</p> <p>24 of the framework.</p> <p>25 A. Okay.</p>	<p style="text-align: right;">Page 116</p> <p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 115</p> <p>1 Q. Under part A -- do you see that?</p> <p>2 A. Mm-hmm.</p> <p>3 Q. In the first paragraph, there is a</p> <p>4 reference to relevant performance metrics. Do</p> <p>5 you see that?</p> <p>6 A. Mm-hmm.</p> <p>7 Q. Are those --</p> <p>8 A. Yes.</p> <p>9 Q. -- performance metrics the ones set</p> <p>10 forth in the Exhibit 138?</p> <p>11 A. I believe they are.</p> <p>12 Q. Take a look at page 3 of the</p> <p>13 framework, please. It refers to two divisional</p> <p>14 compensation committees; one for PMDs and one for</p> <p>15 non-PMDs.</p> <p>16 How long have there been two</p> <p>17 compensation committees in the investment banking</p> <p>18 division?</p> <p>19 MS. HAN: To the extent that we're</p> <p>20 talking about the PMDs, this is outside the</p> <p>21 scope of Mr. Larson's designation.</p> <p>22 You may answer, if you know</p> <p>23 personally.</p> <p>24 A. I believe the formal creation of a</p> <p>25 PMD compensation committee happened in 2010 or</p>	<p style="text-align: right;">Page 117</p> <p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

**DECLARATION OF THEODORE O. ROGERS, JR.
IN OPPOSITION TO PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 118-137)**

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<p>Page 138</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>Page 140</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p>Page 139</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>Page 141</p> <p>1 earlier.</p> <p>2 So is it accurate, just so I'm</p> <p>3 totally clear on this, that the folks who are</p> <p>4 covered employees, for purposes of this document,</p> <p>5 as you testified earlier, are those to</p> <p>6 whom -- are those who have revenue assigned to</p> <p>7 them?</p> <p>8 A. Yes.</p> <p>9 Q. Who populates the next metric</p> <p>10 significant client relationship improvements to</p> <p>11 clients?</p> <p>12 A. I believe that comes from the</p> <p>13 individual employee themselves. There may be</p> <p>14 input on that from the manager, but I'm not sure.</p> <p>15 Q. Okay. For the next metric, total</p> <p>16 harvest, how is that value determined for an</p> <p>17 individual employee where an investment is owned</p> <p>18 by a team?</p> <p>19 A. Similar to the way revenues are</p> <p>20 attributed, they would be shared among the</p> <p>21 members of the team.</p> <p>22 Q. Shared equally?</p> <p>23 A. Equally.</p> <p>24 Q. And how about total investments, the</p> <p>25 next metric?</p>

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<p>1 MS. HAN: Objection, form.</p> <p>2 Also, I just want to make clear for</p> <p>3 purposes of the record that anything other</p> <p>4 than associates and vice presidents, we</p> <p>5 object to that testimony and to that line</p> <p>6 of questions.</p> <p>7 A. The attributable revenue here would</p> <p>8 be handled in the same way as in total harvest.</p> <p>9 Q. Okay. So tell me if I understand</p> <p>10 this process correctly.</p> <p>11 So these metrics, along with other</p> <p>12 information, go into an employee's summary. And</p> <p>13 that's available online, I presume?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. So a manager -- when a</p> <p>16 manager is ready to make a compensation proposal,</p> <p>17 the manager has that employee summary in front of</p> <p>18 him or her?</p> <p>19 A. Yes.</p> <p>20 Q. It comes populated, in other words?</p> <p>21 A. Yes.</p> <p>22 Q. Are managers in IBD given any</p> <p>23 guidelines in how to weight these various</p> <p>24 metrics?</p> <p>25 MS. HAN: Objection, form.</p>	<p>1 Q. Yes.</p> <p>2 Just -- just to study whether</p> <p>3 they're relevant to the job performance.</p> <p>4 A. I'm not aware of a specific study.</p> <p>5 But based on the experience senior managers in</p> <p>6 investment banking have, these are all relevant</p> <p>7 factors that have some role in determining how</p> <p>8 well somebody is performing in their job.</p> <p>9 Q. Can you take a look at Exhibit 140,</p> <p>10 please. And I've included the --</p> <p>11 THE WITNESS: That is just the cover</p> <p>12 memo.</p> <p>13 Q. -- the e-mail cover memo, solely to</p> <p>14 put on the record that your counsel has</p> <p>15 represented that these are part of Exhibit 139,</p> <p>16 the binder that we looked at previously.</p> <p>17 A. Mm-hmm.</p> <p>18 Q. Okay. This -- the first page is</p> <p>19 labeled "2011 IBD year-end compensation process,</p> <p>20 comp median by gender/class."</p> <p>21 When did IBD start reporting out</p> <p>22 information on compensation by gender?</p> <p>23 A. I don't recall the exact year.</p> <p>24 Q. What is your best recollection of</p> <p>25 the earliest year this was done?</p>
Page 143	Page 145
<p>1 A. They are given guidance to include</p> <p>2 and consider all of these metrics. But not</p> <p>3 specific guidance that one metric should be</p> <p>4 weighted more than another metric.</p> <p>5 MS. SHAVER: Please mark the next</p> <p>6 exhibit.</p> <p>7 Counsel, the exhibit that I'm handing</p> <p>8 to the witness has an e-mail from your</p> <p>9 office to us yesterday, the cover letter</p> <p>10 that is attached to these documents. And</p> <p>11 I'm sorry, I don't have any extra copies of</p> <p>12 that e-mail. You probably have it in your</p> <p>13 BlackBerrys.</p> <p>14 (Plaintiff's Exhibit 140, multipage</p> <p>15 document, marked for identification.)</p> <p>16 Q. I asked you earlier whether you're</p> <p>17 aware of any studies that had been done to</p> <p>18 validate the metrics used in the 2002 to 2010</p> <p>19 time period.</p> <p>20 Are you aware of any studies that</p> <p>21 have been done to validate these metrics from the</p> <p>22 2011 framework?</p> <p>23 MS. HAN: Objection, vague.</p> <p>24 A. Could you explain again what you</p> <p>25 mean by "validate"?</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

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**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 146-157)**

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1 **things that gets discussed in the compensation**

2 **meetings.**

3 Q. Looking at Exhibit 141, the IBD

4 compensation guidelines.

5 **A. Yes.**

6 Q. If you look at the page that is

7 marked I-6 on the bottom. I believe it is the

8 second to last page.

9 **A. Okay.**

10 Q. The second full paragraphs reads,

11 "Non-routine differences between 360 degree

12 review results and the proposed manager and

13 performance quartile rank are noted and followed

14 up on as necessary."

15 Do you see that?

16 **A. Yes.**

17 Q. Do you know how non-routine

18 difference is defined?

19 **A. I don't believe there is a specific**

20 **definition. But to the extent they differed by**

21 **more than a quartile, it would usually raise a**

22 **question that someone would then follow-up on.**

23 Q. And at what point -- at what

24 point -- I'm sorry.

25 Who reviews the differences between

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<p>1 the 360-degree review results and the proposed</p> <p>2 manager quartile rank?</p> <p>3 A. Initially that's reviewed primarily</p> <p>4 by the IBD and HCM team.</p> <p>5 Q. So the --</p> <p>6 A. So if there is a discrepancy or a</p> <p>7 difference, we would get on the phone and talk to</p> <p>8 the manager and ask him or her to explain what</p> <p>9 the basis was for the difference and -- until we</p> <p>10 were comfortable with that explanation.</p> <p>11 Q. When you say "we," do you mean the</p> <p>12 HCM team?</p> <p>13 A. Yes.</p> <p>14 Q. Thank you.</p> <p>15 Were those discussions memorialized?</p> <p>16 A. Only to the extent that a change</p> <p>17 occurred. And therefore, the change would be</p> <p>18 reflected in the system. But there weren't notes</p> <p>19 taken of the conversations, if that is what</p> <p>20 you're asking.</p> <p>21 Q. How would the change be reflected in</p> <p>22 the system, would the initial proposed quartile</p> <p>23 and the subsequent quartile both be captured?</p> <p>24 MS. HAN: Objection, form.</p> <p>25 A. I am not a hundred percent sure of</p>	<p>1 Q. -- key productivity factors?</p> <p>2 A. Mm-hmm.</p> <p>3 Q. Could you please refer back to</p> <p>4 Exhibit 132. These are the 2006 guidelines we</p> <p>5 looked at earlier. If you will turn to the page</p> <p>6 Bates stamped 122590.</p> <p>7 A. Okay.</p> <p>8 Q. You'll see at the very bottom, there</p> <p>9 is a caption for the 2006 monitoring process. If</p> <p>10 you can go ahead and read the paragraph</p> <p>11 underneath that to yourself, please.</p> <p>12 Were you aware of an independent</p> <p>13 review process, with a special focus on women and</p> <p>14 historically underrepresented groups, of the</p> <p>15 performance, rank and compensation proposals in</p> <p>16 2006?</p> <p>17 MS. HAN: I'm just going to</p> <p>18 interject here. You may answer yes or no.</p> <p>19 This is privileged information.</p> <p>20 A. Yes.</p> <p>21 Q. In what other years, to your</p> <p>22 knowledge, did that independent review process</p> <p>23 take place?</p> <p>24 A. Prior to 2006? I don't recall.</p> <p>25 Q. Did it take place prior to 2006?</p>
Page 163	Page 165
<p>1 the audit trail capabilities of the system, so</p> <p>2 I'm not sure if the quartile that gets replaced</p> <p>3 remains in the system somehow or not. Certainly</p> <p>4 the new quartile would be reflected.</p> <p>5 Q. Do you see above that, the last</p> <p>6 sentence of the paragraph above reads, "In</p> <p>7 addition to performance, the annual manager</p> <p>8 performance quartile ranking process also takes</p> <p>9 into consideration key productivity, citizenship</p> <p>10 and conduct factors."</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. Do you know if key productivity</p> <p>14 factors are defined anywhere?</p> <p>15 A. I don't think it's defined</p> <p>16 specifically. But it would, in all likelihood,</p> <p>17 refer to some of the revenue metrics that we</p> <p>18 discussed earlier.</p> <p>19 Q. So in other words, the metrics that</p> <p>20 were relevant --</p> <p>21 A. Yes.</p> <p>22 Q. -- to the compensation proposals</p> <p>23 would be the same ones referred to here as</p> <p>24 the --</p> <p>25 A. That's productivity.</p>	<p>1 A. I believe it did, but I don't know</p> <p>2 how -- how far before 2006.</p> <p>3 Q. Did it take place after 2006?</p> <p>4 A. Yes.</p> <p>5 Q. Did it take place every year from</p> <p>6 2006 to the present?</p> <p>7 A. I believe so.</p> <p>8 Q. I believe you testified that you</p> <p>9 were the head of diversity until roughly 2007,</p> <p>10 sometime in 2007; is that right?</p> <p>11 A. Yes.</p> <p>12 Q. And that position ceased to exist?</p> <p>13 A. I'm sorry?</p> <p>14 Q. And that position ceased to exist?</p> <p>15 A. Correct.</p> <p>16 DIR Q. Do you know whether some of the</p> <p>17 functions that you were responsible for as head</p> <p>18 of diversity were taken over by this independent</p> <p>19 review process?</p> <p>20 MS. HAN: Objection. This is</p> <p>21 hitting on privileged territory. I'm</p> <p>22 instructing you not to answer.</p> <p>23 THE WITNESS: Okay.</p> <p>24 MS. SHAVER: This is a yes-or-no</p> <p>25 question. What is the basis for your</p>

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<p>1 refusing him to allow him to answer?</p> <p>2 MS. HAN: To the extent you're</p> <p>3 trying to obtain information about this</p> <p>4 process, Ms. Palumbo has submitted an</p> <p>5 affidavit, we'll refer you to that.</p> <p>6 Anything further, in terms of the scope of</p> <p>7 the review, what was behind it, the</p> <p>8 analysis, that is all protected under the</p> <p>9 privilege.</p> <p>10 Q. Are you familiar with compensation</p> <p>11 communication guides distributed to compensation</p> <p>12 managers?</p> <p>13 A. Compensation communication guides?</p> <p>14 Yes.</p> <p>15 Q. Did managers in IBD receive such</p> <p>16 guides each year from 2002 to the present?</p> <p>17 A. I believe so.</p> <p>18 Q. Are you aware of any IBD specific</p> <p>19 compensation communication guides prior to the</p> <p>20 year 2011?</p> <p>21 A. I'm sorry, say that one more time.</p> <p>22 Q. Sure.</p> <p>23 Prior to the year 2011, are you</p> <p>24 aware of any IBD specific compensation</p> <p>25 communication guides?</p>	<p>1 since -- since the date you stated.</p> <p>2 Q. Are IBD employees trained on how to</p> <p>3 give feedback in the 360-degree review?</p> <p>4 A. Could you say that one more time,</p> <p>5 please?</p> <p>6 Q. Are IBD employees trained on how to</p> <p>7 give feedback in the 360-degree review?</p> <p>8 A. Can I spec -- clarify what you're</p> <p>9 asking?</p> <p>10 Q. Yes, please do.</p> <p>11 A. Are you asking if employees are</p> <p>12 trained in how to write feedback that gets put</p> <p>13 into the review or trained in how to deliver that</p> <p>14 feedback to employees?</p> <p>15 Q. Thanks for that clarification, on</p> <p>16 how to write feedback.</p> <p>17 MS. HAN: You're referring to how</p> <p>18 managers are providing the feedback?</p> <p>19 A. I think --</p> <p>20 MS. SHAVER: No --</p> <p>21 A. The first part of my question.</p> <p>22 Q. Actually, let me -- let me start</p> <p>23 over.</p> <p>24 A. Sure.</p> <p>25 Q. Because, to my understanding, the</p>
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<p>1 A. Yes.</p> <p>2 Q. In which years did IBD disseminate</p> <p>3 divisional specific communication guides?</p> <p>4 A. I believe most years there was a</p> <p>5 communication guide distributed.</p> <p>6 Q. Okay.</p> <p>7 REQ MS. SHAVER: We'd like to request</p> <p>8 that those be produced prior to tomorrow.</p> <p>9 Q. In the investment banking division,</p> <p>10 is it true that in communicating, compensation</p> <p>11 managers are not supposed to tell employees what</p> <p>12 their performance quartile is?</p> <p>13 MS. HAN: Objection, form.</p> <p>14 A. In general, the compensation</p> <p>15 communication conversation is meant to</p> <p>16 communicate compensation, and managers don't</p> <p>17 share the specific performance manager quartile.</p> <p>18 Q. Are there exceptions to that?</p> <p>19 A. Not that I'm aware of.</p> <p>20 Q. Has the investment banking division</p> <p>21 undergone the 360-degree review process each year</p> <p>22 from 2002 to the present?</p> <p>23 MS. HAN: Objection, vague.</p> <p>24 A. The division has conducted a</p> <p>25 360-degree review process each year</p>	<p>1 360-degree review would include feedback from</p> <p>2 supervisors, peers and subordinates, correct?</p> <p>3 A. Correct.</p> <p>4 Q. So I'm asking if IBD employees</p> <p>5 generally are provided training on how to write</p> <p>6 360-degree reviews?</p> <p>7 A. I believe guidance and guidelines</p> <p>8 are given in connection with the review process,</p> <p>9 as to how to go about providing meaningful</p> <p>10 constructive feedback in the process.</p> <p>11 Q. Are you aware of any guidance or</p> <p>12 guidelines that are specific to IBD as opposed to</p> <p>13 guidelines that come from firm-wide HCM?</p> <p>14 A. There may be instances where it's</p> <p>15 necessary for IBD to clarify some of the</p> <p>16 differences in the review criteria that are</p> <p>17 different than firm-wide explanations. So to</p> <p>18 that degree, there could be some difference, yes.</p> <p>19 Q. Can you list for me what review</p> <p>20 criteria are different from the firm-wide review</p> <p>21 criteria for IBD? And this isn't a memory test,</p> <p>22 so if would you like to see, you know, for</p> <p>23 example, the feedback books for each year, we can</p> <p>24 certainly look at those.</p> <p>25 A. The criteria does change a bit year</p>

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<p>1 to year so I don't recall all of the differences.</p> <p>2 Most of the differences come in interpreting the</p> <p>3 criteria and applying its relevance to the</p> <p>4 function of a banker versus a function of a</p> <p>5 technologist, so those explanations of, for</p> <p>6 example, what analytical skills as a review</p> <p>7 criteria might mean for somebody in the</p> <p>8 operations division, versus an associate in the</p> <p>9 banking, the explanations can -- can be more</p> <p>10 specific and clarify the definition.</p> <p>11 Q. Are you aware of any documents that</p> <p>12 explain what the review criteria mean for the</p> <p>13 investment banking division?</p> <p>14 MS. HAN: Objection, vague.</p> <p>15 A. I believe in the review documents</p> <p>16 themselves, it clarifies and defines what is</p> <p>17 meant by the criteria.</p> <p>18 Q. How about apart from the review</p> <p>19 documents themselves?</p> <p>20 MS. HAN: Objection, form.</p> <p>21 A. There may be other clarifications</p> <p>22 beyond that, I don't -- I just don't recall them.</p> <p>23 Q. So you don't know for sure that</p> <p>24 there are other documents with those</p> <p>25 explanations?</p>	<p>1 Q. Are employees in IBD able to review</p> <p>2 employees in other divisions as part of the 360</p> <p>3 degree process?</p> <p>4 A. Yes, I believe so.</p> <p>5 Q. Are employees in other divisions</p> <p>6 able to review employees in IBD?</p> <p>7 A. Yes. Subject to potential</p> <p>8 regulatory prohibitions against that, for</p> <p>9 example, someone in research writing or</p> <p>10 regulatory banking, where the laws have changed,</p> <p>11 so apart from that, yes.</p> <p>12 Q. Is there a group of people within</p> <p>13 IBD that has responsibility for administration of</p> <p>14 the 360-degree review?</p> <p>15 MS. HAN: Objection, vague.</p> <p>16 A. The responsibility for</p> <p>17 administration of the re -- of the review process</p> <p>18 has evolved over time. It is largely centrally</p> <p>19 administered from the talent assessment group,</p> <p>20 with involvement from the specific divisional HCM</p> <p>21 teams.</p> <p>22 Q. And how about responsibility for the</p> <p>23 substance of what is included in the review</p> <p>24 process for IBD, for example, who decides what</p> <p>25 performance criteria are included each year?</p>
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<p>1 A. Correct, I don't know.</p> <p>2 Q. Does IBD provide any training, apart</p> <p>3 from documents that it gives out, to IBD</p> <p>4 employees on how to review other employees in the</p> <p>5 360 degree process?</p> <p>6 MS. HAN: Objection, vague.</p> <p>7 A. I think that was the same question</p> <p>8 you asked me just a minute ago.</p> <p>9 Q. So are there any trainings for IBD</p> <p>10 employees?</p> <p>11 A. With regards to how to write a</p> <p>12 review on somebody else?</p> <p>13 Q. Yes.</p> <p>14 A. I believe that as part of the new</p> <p>15 banker orientation programs, new employees are</p> <p>16 made familiar with the review process and</p> <p>17 therefore advised how to -- how to go about using</p> <p>18 the process, so I believe that there is.</p> <p>19 Q. And the part of that orientation</p> <p>20 program that covers the review process, is that</p> <p>21 specifically for new IBD employees or is that for</p> <p>22 new employees of any part of the firm?</p> <p>23 A. I'm aware that it has happened in</p> <p>24 IBD, I'm not -- I'm not aware of what happens in</p> <p>25 other parts of the firm.</p>	<p>1 MS. HAN: Objection, form.</p> <p>2 A. Input with regards to what gets</p> <p>3 included each year is generally provided by the</p> <p>4 divisional HCM teams with input from leaders in</p> <p>5 the business. It doesn't change materially from</p> <p>6 year to year.</p> <p>7 Q. Are you aware of a regular meeting</p> <p>8 that takes place each year between the divisional</p> <p>9 HCM folks and the business leaders in IBD to</p> <p>10 review what is in the performance review and see</p> <p>11 if any changes are needed?</p> <p>12 MS. HAN: Objection, form.</p> <p>13 A. There is not a routine meeting</p> <p>14 that -- a meeting might get created if there is a</p> <p>15 lot of feedback suggesting that there needed to</p> <p>16 be a change, but that doesn't happen routinely.</p> <p>17 Q. Who is able to give feedback on the</p> <p>18 substance on the 360-degree review?</p> <p>19 A. By substance --</p> <p>20 MS. HAN: Objection, vague.</p> <p>21 A. You mean?</p> <p>22 Q. What is included --</p> <p>23 A. The criteria?</p> <p>24 Q. The criteria.</p> <p>25 A. Really anybody can provide comments</p>

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<p>1 to their manager, and that can get filtered up</p> <p>2 through the business to -- through the relevant</p> <p>3 channels for feedback into HCM.</p> <p>4 Q. Is there a formal vehicle for that?</p> <p>5 A. I don't believe so.</p> <p>6 Q. Can you please describe for me</p> <p>7 generally how the 360 process works in IBD today,</p> <p>8 walk me through the steps, the timeline.</p> <p>9 MS. HAN: Objection, form.</p> <p>10 A. The timeline varies a little bit</p> <p>11 year by year, and would initiate generally in the</p> <p>12 early part of the summer, with the generation of</p> <p>13 the initial list of proposed reviewers for a</p> <p>14 given employee.</p> <p>15 Q. Who generates the initial list of</p> <p>16 proposed reviewers for a given employee?</p> <p>17 A. In IBD, the initial generation of</p> <p>18 that list is derived from the deal and</p> <p>19 transaction team database, so the people that</p> <p>20 somebody has been working with on the variety of</p> <p>21 his or her times, this is automatically</p> <p>22 populated. The employee then has the ability to</p> <p>23 amend that list and provide it to their manager</p> <p>24 for approval.</p> <p>25 Q. If the manager does not approve the</p>	<p>1 Q. Okay. And then what is the next</p> <p>2 step once the list of reviewers is in the system?</p> <p>3 A. At some point shortly after that,</p> <p>4 the review system is opened to the general</p> <p>5 population for the writing of reviews for a</p> <p>6 prescribed period of time and -- and an employee</p> <p>7 would be notified you've been requested to write</p> <p>8 reviews on the following X people.</p> <p>9 In addition, there is the</p> <p>10 opportunity to write an unsolicited --</p> <p>11 unsolicited review on anybody, even if you</p> <p>12 weren't requested on their list. And that review</p> <p>13 writing takes place and gets some input into the</p> <p>14 system up until whatever deadline within that</p> <p>15 system closes, which is typically around the end</p> <p>16 of August.</p> <p>17 Q. And after the system closes, what is</p> <p>18 the next step?</p> <p>19 A. All of the reviews that were written</p> <p>20 get processed and compiled in some system and</p> <p>21 performance review packets, it's online or</p> <p>22 printable, that summarize the review commentary</p> <p>23 on an employee get created and get -- and are</p> <p>24 made available to the manager for his or her</p> <p>25 review.</p>
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<p>1 list, what is the next step?</p> <p>2 A. The manager typically would go back</p> <p>3 to the employee and say your list looks fine with</p> <p>4 the exception of I want to add this name or</p> <p>5 remove this name for whatever reason. And the</p> <p>6 discussion is held and then it's submitted to</p> <p>7 the -- I think the firm-wide review system.</p> <p>8 Q. Is it accurate to say that once the</p> <p>9 manager approved the list of reviewers, it's</p> <p>10 submitted to the firm-wide review system?</p> <p>11 A. Generally, yes.</p> <p>12 Q. Is the manager in IBD able to remove</p> <p>13 or add a reviewer at his or her election?</p> <p>14 MS. HAN: Objection, vague.</p> <p>15 A. You mean -- could you explain what</p> <p>16 you mean by --</p> <p>17 Q. Does the manager --</p> <p>18 A. It is the role of the manager to</p> <p>19 review the list and to approve that it has the</p> <p>20 relevant people to provide feedback on the</p> <p>21 individual.</p> <p>22 Q. If the manager feels that a change</p> <p>23 needs to be made, is the manager able to make</p> <p>24 that change and submit it to the system?</p> <p>25 A. Yes.</p>	<p>1 Q. In the investment banking division,</p> <p>2 is an employee's direct manager required to be</p> <p>3 one of his or her reviewers?</p> <p>4 A. The nature of that specific</p> <p>5 requirement has changed year to year, as to</p> <p>6 whether or not the manager wrote a review or the</p> <p>7 manager simply summarized and provided a manager</p> <p>8 summary without writing his or her individual</p> <p>9 review has varied a little bit.</p> <p>10 Q. Can you give me your best</p> <p>11 recollection as to how it's varied from 2002 to</p> <p>12 the present?</p> <p>13 A. I think the manager's role of</p> <p>14 reviewing the review and writing the manager</p> <p>15 summary is a more recent change to the processes</p> <p>16 in the last couple of years. I don't know</p> <p>17 exactly when that change occurred. I'd have to</p> <p>18 refresh my memory on that.</p> <p>19 Q. Am I understanding you correctly</p> <p>20 that, prior to that change, managers didn't write</p> <p>21 an independent summary, but they were reviewers</p> <p>22 in the 360 process?</p> <p>23 MS. HAN: Objection, misstates</p> <p>24 testimony.</p> <p>25 A. The managers may have an</p>

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<p>1 opportunity -- may have had an opportunity to</p> <p>2 both write a review and provide a summary.</p> <p>3 Q. And after that change, they no</p> <p>4 longer wrote a review?</p> <p>5 A. Wrote an individual review, but</p> <p>6 wrote a manager's summary.</p> <p>7 Q. Does IBD allow for attribution of</p> <p>8 comments and ratings?</p> <p>9 A. Generally the IBD system, I believe,</p> <p>10 has not provided attribution to comments and</p> <p>11 ratings.</p> <p>12 Q. Is it accurate that prior to 2006,</p> <p>13 IBD did not have a quantitative component to the</p> <p>14 360 review process?</p> <p>15 MS. HAN: Objection, vague.</p> <p>16 A. I believe that with the exception of</p> <p>17 one year, there has always been quantitative</p> <p>18 scoring as part of the review system, not -- not</p> <p>19 attribution from the standpoint that you knew</p> <p>20 what contributor gave what score, there were</p> <p>21 numeric ratings as part of the system.</p> <p>22 Q. Do you recall that in 2006, IBD</p> <p>23 adopted a five-point rating scale?</p> <p>24 A. I believe that's the year that it</p> <p>25 adopted the five-point rating scale. I don't</p>	<p>1 recollection that at least as of 2006, IBD used</p> <p>2 five categories?</p> <p>3 A. Yeah.</p> <p>4 Q. Okay. Do you recollect that at some</p> <p>5 point IBD adopted a nine-point scale?</p> <p>6 A. Yes.</p> <p>7 Q. And do you recall when that was?</p> <p>8 A. Within the last few years. I don't</p> <p>9 recall the exact year. I want to say maybe four</p> <p>10 years ago. Four or five.</p> <p>11 MS. SHAVER: Let's mark this as the</p> <p>12 next exhibit.</p> <p>13 (Plaintiff's Exhibit 143, document</p> <p>14 bearing Bates GS 0105392 - GS 0105403,</p> <p>15 marked for identification.)</p> <p>16 Q. Do you recognize this document?</p> <p>17 A. Yes.</p> <p>18 Q. Is -- does this reflect the</p> <p>19 nine-point scale?</p> <p>20 A. Yes.</p> <p>21 Q. And I'll represent to you that</p> <p>22 although this document is undated, the metadata</p> <p>23 associated with this document dates it at July</p> <p>24 29, 2010.</p> <p>25 A. Okay.</p>
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<p>1 recall if that is exactly when it was. The</p> <p>2 rating scale has changed a little bit over time.</p> <p>3 MS. SHAVER: Please mark this as the</p> <p>4 next exhibit.</p> <p>5 (Plaintiff's Exhibit 142, document</p> <p>6 bearing Bates number GS 0103515 - GS</p> <p>7 103518, marked for identification.)</p> <p>8 MS. HAN: 155?</p> <p>9 THE WITNESS: 142.</p> <p>10 MS. HAN: Oh, 142.</p> <p>11 Q. Do you recognize this document?</p> <p>12 A. Yes.</p> <p>13 Q. And this review form reflects the</p> <p>14 five-point scale we were talking about, correct?</p> <p>15 A. Yes. Although, it doesn't look like</p> <p>16 in 2005 there were numeric numbers assigned to</p> <p>17 the five categories. Just for clarification.</p> <p>18 Q. But there are five categories?</p> <p>19 A. Yes.</p> <p>20 Q. This is labeled "2006." So would</p> <p>21 this have been a review for the year 2005</p> <p>22 completed in 2006?</p> <p>23 A. Probably would have been the end of</p> <p>24 2006 for reviews in that year.</p> <p>25 Q. So does this refresh your</p>	<p>1 Q. So would that have been used in</p> <p>2 reviews for the 2010 --</p> <p>3 A. Yes.</p> <p>4 Q. -- year?</p> <p>5 Okay. Were reviewers able to assign</p> <p>6 reviewees a score between 1 and 9?</p> <p>7 A. Yes.</p> <p>8 Q. If a manager adds or removes</p> <p>9 reviews -- a reviewer from a list, is that</p> <p>10 documented anywhere, a change?</p> <p>11 A. I'm sorry?</p> <p>12 Q. If a manager adds or removes a</p> <p>13 reviewer from the review list, is that change</p> <p>14 documented anywhere?</p> <p>15 A. I don't know whether the system</p> <p>16 where that information is held contains an audit</p> <p>17 trail to track changes or not. I don't know.</p> <p>18 Q. What system holds that information?</p> <p>19 A. I believe it would be the firm-wide</p> <p>20 review system, the FRS. I just don't know the</p> <p>21 technical capabilities of the system.</p> <p>22 Q. Okay. Well, I'm a little confused</p> <p>23 because I thought you told me earlier that the</p> <p>24 final list was input into the FRS system.</p> <p>25 A. It is. But for a manager to comment</p>

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<p>1 on the list, it's first input by the employee</p> <p>2 into the system, and then the manager has access</p> <p>3 to it through that same system.</p> <p>4 Q. Thank you.</p> <p>5 Is the employee able to see the</p> <p>6 final list of reviewers in the FRS system; in</p> <p>7 other words, if a change does take place, is the</p> <p>8 employee able to see that prior to the review</p> <p>9 actually happening?</p> <p>10 MS. HAN: Objection, vague.</p> <p>11 A. I believe so. I'm not a hundred</p> <p>12 percent certain, but I believe so.</p> <p>13 Q. Do you know who would know?</p> <p>14 A. Somebody in the talent assessment</p> <p>15 group that opens the system.</p> <p>16 Q. I think you answered this earlier,</p> <p>17 but just so I'm sure, from 2002 to the present,</p> <p>18 has IBD required its managers to assign their</p> <p>19 reports to quartiles for purposes of performance</p> <p>20 review?</p> <p>21 A. To assign their reports -- could</p> <p>22 you -- I don't understand the question.</p> <p>23 Q. To conduct a performance review</p> <p>24 quartiling?</p> <p>25 A. I'm sorry. Yes, I believe so. I'm</p>	<p>1 A. I believe the answer to that is yes.</p> <p>2 THE WITNESS: It's a little warm,</p> <p>3 but I'm okay. I think the afternoon sun is</p> <p>4 warming us a bit.</p> <p>5 MS. SHAVER: Please mark this as the</p> <p>6 next exhibit.</p> <p>7 (Plaintiff's Exhibit 144, document</p> <p>8 bearing Bates numbers GS 0120172 - GS</p> <p>9 0120194, marked for identification.)</p> <p>10 THE WITNESS: Thank you.</p> <p>11 Q. To the point you were just talking</p> <p>12 about, could you take a look at page 7 of this</p> <p>13 document?</p> <p>14 A. The one labeled 7 of 23?</p> <p>15 Q. That's correct.</p> <p>16 At the top, it has a -- like a table</p> <p>17 for performance review rank. Do you see that?</p> <p>18 A. Mm-hmm.</p> <p>19 Q. Is that the performance review</p> <p>20 quartile you were just talking about; in other</p> <p>21 words the -- where the employee falls relative to</p> <p>22 his or her peers based on the 360-degree review</p> <p>23 score?</p> <p>24 A. Yes, I believe it would be.</p> <p>25 Q. So that is not the same thing as the</p>
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<p>1 sorry. I just want to be clear, performance</p> <p>2 review quartiling or manager quartiling?</p> <p>3 Q. Are they two different things?</p> <p>4 A. Yes.</p> <p>5 Q. What is the difference?</p> <p>6 A. So a performance review quartiling</p> <p>7 is just the mathematical quartiling of where your</p> <p>8 average review scores falls out relative to a</p> <p>9 peer group, based on the people who provided</p> <p>10 reviews on you. The manager quartile is</p> <p>11 independently determined by the manager, and</p> <p>12 therefore, it's two different things.</p> <p>13 Q. Okay. Thank you.</p> <p>14 A. I'm not quite sure what you were</p> <p>15 asking.</p> <p>16 Q. That is really helpful.</p> <p>17 So what you are referring to as the</p> <p>18 performance review quartile is just a</p> <p>19 mathematical function of people's --</p> <p>20 A. It's derived after the reviews are</p> <p>21 written based on where your scores fall relative</p> <p>22 to others.</p> <p>23 Q. And is it derived based on an</p> <p>24 adjusted score?</p> <p>25 MS. HAN: Objection, vague.</p>	<p>1 manager quartile?</p> <p>2 A. That is correct.</p> <p>3 Q. I appreciate the clarification.</p> <p>4 I'll be careful to refer to what I mean.</p> <p>5 A. It can be confusing.</p> <p>6 Q. I believe you testified earlier that</p> <p>7 with respect to the manager quartile, IBD has</p> <p>8 consistently used at least four buckets, but that</p> <p>9 in some years two and three may have been broken</p> <p>10 out; is that right?</p> <p>11 A. That's correct.</p> <p>12 Q. Do you have a recollection of which</p> <p>13 years it was broken out in, if any?</p> <p>14 A. No.</p> <p>15 Q. Taking a look at that same review</p> <p>16 book, it states that the performance review --</p> <p>17 A. I'm sorry, what page are you looking</p> <p>18 at?</p> <p>19 Q. I'm still on page 7, that table.</p> <p>20 It says, "Performance review rank</p> <p>21 based on an adjusted nine-item average."</p> <p>22 A. Mm-hmm.</p> <p>23 Q. Can you explain to me what the</p> <p>24 "adjusted" means?</p> <p>25 A. There is an algorithm implemented by</p>

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<p>1 the system that is meant to adjust the data based</p> <p>2 on rater toughness, that was developed by, I</p> <p>3 believe, a professor at Carnegie Melon, whose</p> <p>4 last name is Larkey.</p> <p>5 And it is a Larkeyed score that is</p> <p>6 meant to smooth out the differences between</p> <p>7 somebody who might have -- everybody who wrote</p> <p>8 reviews on him or her that were very high scores</p> <p>9 and normalize that a little bit so you can</p> <p>10 compare it to somebody who had reviews written on</p> <p>11 them by everybody who were really tough graders.</p> <p>12 How that formula works, I have no</p> <p>13 idea. But that's what it's meant to accomplish.</p> <p>14 Q. Do you know who would know?</p> <p>15 A. Somebody in the talent assessment</p> <p>16 group could probably explain it. It's -- all I</p> <p>17 know is it is very complicated. It doesn't</p> <p>18 create dramatic differences between an adjusted</p> <p>19 or nonadjusted, but it does modify the score a</p> <p>20 little bit.</p> <p>21 Q. And for purposes of an employee's</p> <p>22 final score, what is documented in the banker</p> <p>23 profiles, let's say, would that be the adjusted?</p> <p>24 A. I believe it's the adjusted score.</p> <p>25 Q. Okay. And has IBD adjusted the</p>	<p>1 reviews the differences between the two. And if</p> <p>2 those differences are material, has conversations</p> <p>3 with the manager to get an understanding of why</p> <p>4 that difference might exist. And depending on</p> <p>5 the nature of the explanation, sometimes that</p> <p>6 manager quartile gets adjusted, sometimes it</p> <p>7 doesn't, based on the facts and circumstances of</p> <p>8 the individual situation.</p> <p>9 Q. Who within HCM has responsibility</p> <p>10 for that process?</p> <p>11 A. The IBD HCM team would have</p> <p>12 responsibility for doing that within IBD.</p> <p>13 Q. Any particular subset of that team?</p> <p>14 A. The primary responsibility would sit</p> <p>15 with the IBD compensation team. But sometimes</p> <p>16 others from other parts of the team get involved</p> <p>17 in other parts of the processes where they're not</p> <p>18 spending their full time.</p> <p>19 Q. And does HCM conduct that review</p> <p>20 every year for all IBD employees?</p> <p>21 A. Yes, I believe so.</p> <p>22 Q. And how has -- has that review been</p> <p>23 documented?</p> <p>24 MS. HAN: Objection, form.</p> <p>25 A. I'm not -- I'm not sure it has been</p>
Page 187	Page 189
<p>1 scores in that manner from 2002 to the present?</p> <p>2 A. I don't believe so. I don't recall</p> <p>3 the year that that adjustment was implemented.</p> <p>4 And I believe it was implemented across the firm,</p> <p>5 not just in IBD when it was implemented.</p> <p>6 Q. We should be able to tell by looking</p> <p>7 at the review books, right?</p> <p>8 A. Probably.</p> <p>9 Q. Are there any restrictions on how</p> <p>10 far a manager quartile can deviate from the</p> <p>11 performance review quartile?</p> <p>12 A. No.</p> <p>13 MS. HAN: Objection, vague.</p> <p>14 A. No.</p> <p>15 Q. So in theory, a manager could move</p> <p>16 somebody who is in the first quartile for the</p> <p>17 performance review quartile into the last</p> <p>18 quartile for manager quartile?</p> <p>19 A. It's possible.</p> <p>20 Q. Does IBD require managers to</p> <p>21 validate any substantial differences between the</p> <p>22 performance review quartile and the manager</p> <p>23 quartile?</p> <p>24 MS. HAN: Objection, vague.</p> <p>25 A. There is a process whereby HCM</p>	<p>1 formally documented, that those meetings and</p> <p>2 conversations took place. But they -- but they</p> <p>3 have.</p> <p>4 Q. They have taken place?</p> <p>5 A. Yes.</p> <p>6 Q. Not they have been documented?</p> <p>7 A. Yes, they have taken place.</p> <p>8 Q. Are you -- do you know whether in</p> <p>9 that review, HCM generates a report that lists</p> <p>10 for each employee the performance quartile and</p> <p>11 the manager quartile and -- sorry, that's it.</p> <p>12 MS. HAN: Objection, form, it's been</p> <p>13 asked and answered.</p> <p>14 A. Typically, to identify those</p> <p>15 differences, a report like that would need to be</p> <p>16 generated to do a comparison.</p> <p>17 Q. Do you know if those reports are</p> <p>18 saved?</p> <p>19 A. I do not know.</p> <p>20 Q. Who would know?</p> <p>21 A. Probably a member of the IBD comp</p> <p>22 team.</p> <p>23 Q. And do you know if there is a</p> <p>24 mechanism in the system that creates that report</p> <p>25 to flag a -- whatever the team considered to be a</p>

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<p>1 substantial difference?</p> <p>2 MS. HAN: Objection, form.</p> <p>3 A. I'm not sure if the report generates</p> <p>4 a flag or it just provides the information for</p> <p>5 when to look down and look at the differences and</p> <p>6 individually mark those.</p> <p>7 Q. Have you seen that report?</p> <p>8 A. I've used the information that I'm</p> <p>9 describing, yes.</p> <p>10 Q. And do you recall seeing any flags</p> <p>11 or marks auto-generated?</p> <p>12 A. I don't know if they were -- I don't</p> <p>13 know if they were auto-generated. I certainly</p> <p>14 remember identifying differences in going through</p> <p>15 the information.</p> <p>16 Q. And what criteria did you use to</p> <p>17 identify a difference that you thought mattered?</p> <p>18 A. Would generally identify a</p> <p>19 difference that was more than one adjacent</p> <p>20 quartile different from the other. So if a first</p> <p>21 quartile -- manager quartile had a third quartile</p> <p>22 review score, that would be more than one</p> <p>23 adjacent quartile difference, so I would</p> <p>24 generally look at that.</p> <p>25 Q. How does IBD ensure there is a</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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<p>1 forced rank over the entire division?</p> <p>2 MS. HAN: Objection, assumes facts</p> <p>3 not in evidence.</p> <p>4 A. There is not a forced rank of the</p> <p>5 entire division.</p> <p>6 Q. Could you look again at Exhibit 132,</p> <p>7 please.</p> <p>8 A. Mm-hmm.</p> <p>9 Q. Those are the 2006 guidelines we</p> <p>10 looked at before.</p> <p>11 A. Yes.</p> <p>12 Q. On page 3 of the frequently asked</p> <p>13 questions, question number 10 reads, "How will</p> <p>14 the divisional rollup work?</p> <p>15 "Answer: Your divisional HCM team</p> <p>16 will ensure there is an appropriate" -- excuse</p> <p>17 me -- "an approximate forced rank over the entire</p> <p>18 division."</p> <p>19 A. I believe what that is referring to</p> <p>20 is that everybody will be forced into one of the</p> <p>21 quartile buckets, which is very different than a</p> <p>22 forced ranking.</p> <p>23 Q. How is it different than a forced</p> <p>24 ranking?</p> <p>25 A. Well, if you had a hundred employees</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

**DECLARATION OF THEODORE O. ROGERS, JR.
IN OPPOSITION TO PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 194-225)**

FILED UNDER SEAL

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<p>1 A. Yes.</p> <p>2 Q. When a vice president is promoted,</p> <p>3 is it to EMD or to PMD?</p> <p>4 A. I'm sorry, I'm just getting a little</p> <p>5 cramp in my leg there.</p> <p>6 A vice president promotion is almost</p> <p>7 always to EMD.</p> <p>8 Q. Are you aware of any instance of a</p> <p>9 vice president being promoted to a PMD?</p> <p>10 A. Not in the investment banking</p> <p>11 division.</p> <p>12 Q. Are you aware of it happening</p> <p>13 outside of the investment banking division?</p> <p>14 MS. HAN: Objection, this is outside</p> <p>15 the scope of Mr. Larson's designation.</p> <p>16 A. Back in 1996, there was an instance</p> <p>17 of somebody getting promoted from VP to partner</p> <p>18 that I remember.</p> <p>19 Q. Anything besides that?</p> <p>20 A. No.</p> <p>21 Q. Are you familiar with the</p> <p>22 cross-ruffing process for managing director</p> <p>23 selection?</p> <p>24 A. Yes.</p> <p>25 Q. And for purposes of this deposition</p>	<p>1 regional leaders of the investment banking</p> <p>2 division, in addition to the CFO of the division,</p> <p>3 the COO of the division, the HCM head of the</p> <p>4 division, and the heads of the division.</p> <p>5 Q. It sounds a lot like the</p> <p>6 compensation committee.</p> <p>7 A. There is a lot of overlap, yes.</p> <p>8 Q. Is there any difference between the</p> <p>9 composition of the two?</p> <p>10 A. Yes, there are a couple of</p> <p>11 differences.</p> <p>12 Q. What are those?</p> <p>13 A. The head of IBD -- I'm sorry. The</p> <p>14 head of IBD legal would be part of the IB</p> <p>15 operating committee, but not part of the</p> <p>16 compensation committee. That's, I think, the</p> <p>17 only difference.</p> <p>18 Q. Okay. So what takes place in the</p> <p>19 meeting of the IBD operating committee --</p> <p>20 MS. HAN: Objection, vague.</p> <p>21 Q. -- with the names compiled by the</p> <p>22 HCM team?</p> <p>23 A. A business unit leader would discuss</p> <p>24 the slate of nominees from his or her business</p> <p>25 unit to try to make the case for inclusion in the</p>
Page 227	Page 229
<p>1 here today, we're going to be talking about a</p> <p>2 promotion from vice president to managing</p> <p>3 director. Okay?</p> <p>4 A. Okay.</p> <p>5 Q. Can you describe how this process</p> <p>6 works in the investment banking division?</p> <p>7 MS. HAN: Objection, vague.</p> <p>8 A. It starts with the global business</p> <p>9 unit leaders within investment banking developing</p> <p>10 a list of candidates to be considered for</p> <p>11 inclusion in the cross-ruffing process.</p> <p>12 Q. Are those nominees?</p> <p>13 A. Those are nominees to be considered</p> <p>14 for cross-ruffing.</p> <p>15 Q. Okay. What is the next step?</p> <p>16 A. Those lists are submitted to the IBD</p> <p>17 HCM team, who compiles those nominees in</p> <p>18 preparation for a meeting amongst the IBD</p> <p>19 operating committee to discuss and evaluate and</p> <p>20 consider the nominees being put forward by the</p> <p>21 business unit leaders.</p> <p>22 Q. Who sits on the IBD operating</p> <p>23 committee?</p> <p>24 A. It's generally the business unit</p> <p>25 leaders, major product group leaders, and</p>	<p>1 cross-ruffing process of the people on his or her</p> <p>2 list. That gets discussed and reviewed and</p> <p>3 questioned and challenged by the members of the</p> <p>4 operating committee who are -- and other business</p> <p>5 unit leaders who are in that meeting.</p> <p>6 Q. Does the committee have to reach</p> <p>7 consensus on a person in order for that person to</p> <p>8 become a candidate?</p> <p>9 MS. HAN: Objection, vague.</p> <p>10 A. The decisions with regards to who</p> <p>11 becomes a candidate for cross-ruffing or not gets</p> <p>12 ultimately determined by the heads of the</p> <p>13 division after consideration and input from the</p> <p>14 operating committee as well as there is an</p> <p>15 opportunity, following that meeting, where the</p> <p>16 entire managing director population of the</p> <p>17 division gets visibility into the proposed</p> <p>18 candidates, so that if anybody else has a view or</p> <p>19 opinion about a -- somebody who is being put</p> <p>20 forward as a potential nominee for cross-ruffing</p> <p>21 or not has an opportunity to provide that input.</p> <p>22 Q. And who would they provide that</p> <p>23 input to?</p> <p>24 A. Either the heads of the division, or</p> <p>25 a member of the operating committee or the HCM.</p>

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<p>1 Q. And is there a vehicle for them to 2 do that or is -- for example, the Internet --</p> <p>3 A. There is not a formal process, but 4 they can either raise their hand in the meeting 5 where that's discussed, and raise it then, or 6 they can pick up the phone and reach out to any 7 one of those people that I've described.</p> <p>8 Q. Is there a meeting for all MDs where 9 this is discussed?</p> <p>10 A. Yes.</p> <p>11 Q. So if I'm understanding you 12 correctly, the business -- the --</p> <p>13 MS. SHAVER: Strike that.</p> <p>14 Q. If I'm understanding you correctly, 15 the meeting of the operating committee does not 16 result in a final list of candidates?</p> <p>17 A. That is correct.</p> <p>18 Q. Is there any output generated from 19 that meeting?</p> <p>20 MS. HAN: Objection, vague.</p> <p>21 A. Following that meeting, and 22 following discussions that occur after that 23 meeting, a potential slate of candidates is 24 discussed with the entire MD population of the 25 division following that meeting. And</p>	<p>1 Q. I see.</p> <p>2 Or they might have an opportunity to 3 talk to other managing directors and ask those 4 people to back them up?</p> <p>5 A. Correct.</p> <p>6 Q. And who finalizes the list?</p> <p>7 MS. HAN: Objection, vague.</p> <p>8 A. The list is ultimately submitted by 9 the IBD HCM head to the firm-wide talent 10 assessment group, with ultimate sign-off from the 11 business leaders of the division.</p> <p>12 Q. When you say "the business" --</p> <p>13 A. The division heads.</p> <p>14 Q. The division heads.</p> <p>15 So am I understanding you correctly, 16 that the division heads must approve the list and 17 then IBD HCM submits it to the firm-wide talent 18 assessment group?</p> <p>19 MS. HAN: Objection, misstates his 20 testimony.</p> <p>21 A. Following the inputs from the 22 various people that I described through those 23 processes, the division heads sign off on the 24 list that gets turned in to the talent assessment 25 group.</p>
Page 231	Page 233
<p>1 opportunities for managing director is to provide 2 additional input, the list is finalized.</p> <p>3 Q. What discussions occur after the 4 operating committee meeting prior to the MD 5 meeting?</p> <p>6 A. A managing director might have 7 follow-up conversations with other members of the 8 operating committee or the division heads to 9 further press their case on account that it was 10 discussed.</p> <p>11 Q. I'm sorry, I'm asking prior to the 12 all MDs meeting.</p> <p>13 A. That's what I was answering. 14 So a business unit leader who 15 discussed a slate of candidates might have gotten 16 feedback on a certain number of candidates and 17 gotten an indication that a candidate was not 18 going to be included, he or she would still have 19 the opportunity to further make that case outside 20 of that meeting, additionally, if they felt that 21 the decision -- or the direction the decision was 22 heading didn't seem to be in a direction that 23 they agreed with. So they would pick up the 24 phone and call the division head and further 25 argue their case.</p>	<p>1 Q. Okay. And what is the next step in 2 the process?</p> <p>3 A. The firm-wide talent assessment 4 group would look at the proposed candidates for 5 cross-ruffing from the division, as well as from 6 all the other divisions and review that for size, 7 scope, inclusiveness of, you know 8 representation -- adequate representation from 9 the division. And then the division identifies 10 potential cross ruffers who would conduct the 11 cross-ruffing as part of the process.</p> <p>12 Q. What do you mean by "adequate 13 representation from the division"?</p> <p>14 A. They would review the diversity 15 makeup of the candidates being considered, the 16 geographic makeup, the business unit, and 17 regional makeup of the populations.</p> <p>18 Q. Was that review documented in any 19 way?</p> <p>20 A. I don't know if they produce a 21 document as a result of that review.</p> <p>22 Q. Does the IBD HCM team also review 23 the list of candidates for diversity makeup?</p> <p>24 A. Yes.</p> <p>25 Q. Is that review documented?</p>

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<p>1 A. Not beyond the lists of candidates</p> <p>2 that get created.</p> <p>3 Q. Are you aware of any instance in</p> <p>4 which either the firm-wide diversity team --</p> <p>5 excuse me, are you aware of any instance in which</p> <p>6 either the firm-wide talent assessment group or</p> <p>7 IBD HCM has raised an issue with respect to the</p> <p>8 diversity makeup of the candidate list?</p> <p>9 MS. HAN: Objection, vague.</p> <p>10 A. As part of IBD HCM's review and</p> <p>11 involvement in the process, it would advise the</p> <p>12 divisional leadership if it felt there was an</p> <p>13 area that could be improved upon from a diversity</p> <p>14 standpoint and that would be included in the</p> <p>15 conversation and the analysis of the list and</p> <p>16 development of the list.</p> <p>17 Q. Would that be included in the</p> <p>18 operating committee meeting?</p> <p>19 A. Yes.</p> <p>20 Q. Are there agendas for those</p> <p>21 meetings?</p> <p>22 A. There probably are agendas that</p> <p>23 outline the order in which the business unit</p> <p>24 largely outlines the order in which the business</p> <p>25 units will come in to present and discuss their</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

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<p>1 REDACTED FILED UNDER SEAL</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 Q. Are you aware of any defined metrics</p> <p>2 of future potential?</p> <p>3 MS. HAN: Objection, vague.</p> <p>4 A. Other than those measures and</p> <p>5 metrics that have been used to define performance</p> <p>6 to that date?</p> <p>7 Q. Yes.</p> <p>8 A. Which are largely relevant to future</p> <p>9 performance? I can't think of a specific method.</p> <p>10 Q. Okay. So I believe we've gotten to</p> <p>11 the point in the process where the divisional</p> <p>12 leaders and the IBD HCM team propose a list of</p> <p>13 cross-ruffers and who has final authority over</p> <p>14 who is on that list?</p> <p>15 A. The division heads have final say on</p> <p>16 the proposed list of cross-ruffers that get</p> <p>17 submitted to the firm-wide talent assessment</p> <p>18 group who will also review that list to ensure</p> <p>19 that proper regional product and gender</p> <p>20 representation is included in the cross-ruffing</p> <p>21 population -- cross ruffer population.</p> <p>22 Q. And are you aware of any reports</p> <p>23 generated from that review by the firm-wide</p> <p>24 talent group?</p> <p>25 A. I'm not aware.</p>
Page 239	Page 241
<p>1 Q. Any other ways?</p> <p>2 A. There is firm-wide messaging on the</p> <p>3 importance of diversity and includes diversity in</p> <p>4 the leadership composition of the firm that comes</p> <p>5 out regularly as well.</p> <p>6 Q. Anything else?</p> <p>7 A. Those are the main.</p> <p>8 Q. So I just want to go back to my</p> <p>9 question of -- about whether you're aware of any</p> <p>10 instances where the IBD operating committee has</p> <p>11 had to follow up with a manager for lack of</p> <p>12 diversity in his or her proposed nominees.</p> <p>13 MS. HAN: Asked and answered.</p> <p>14 A. I don't recall a specific incident</p> <p>15 where that happened.</p> <p>16 Q. How is future potential measured,</p> <p>17 other than extrapolating from historical</p> <p>18 performance?</p> <p>19 A. It's mostly the judgment of the</p> <p>20 business unit leader and the other senior people</p> <p>21 in the business who are contributing to that</p> <p>22 conversation around potential candidates who</p> <p>23 would evaluate somebody's -- somebody's ability</p> <p>24 to play a more senior role in the organization</p> <p>25 and the things required to do that.</p>	<p>1 Q. Okay. And once the list of</p> <p>2 cross-ruffers is finalized, what is the next</p> <p>3 step?</p> <p>4 A. The cross-ruffers would be -- a</p> <p>5 cross-ruffing captain would be chosen. And the</p> <p>6 cross-ruffing captain and the cross-ruffers would</p> <p>7 be communicated to by the divisional leadership</p> <p>8 and by the HCM about their important</p> <p>9 responsibilities that they're now going to</p> <p>10 undertake. And then training would be provided</p> <p>11 to those cross-ruffers about the process and the</p> <p>12 details of their responsibilities in that regard.</p> <p>13 Q. Who provides that training to the</p> <p>14 cross-ruffers in the investment banking division?</p> <p>15 A. It generally comes in two forms.</p> <p>16 The firm-wide talent assessment group provides a</p> <p>17 firm-wide training session, and then there is a</p> <p>18 separate IBD training session that will follow</p> <p>19 that, that will go into further details about our</p> <p>20 process specifically.</p> <p>21 Q. And who provides the IBD specific</p> <p>22 training?</p> <p>23 A. Typically the head of IBD HCM,</p> <p>24 together with the cross-ruffing captain who is</p> <p>25 selected.</p>

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<p>1 Q. Is the cross-ruffing captain always</p> <p>2 someone who has been on a cross-ruffing team</p> <p>3 before?</p> <p>4 A. Yes.</p> <p>5 Q. Okay. And after those trainings</p> <p>6 take place, what is the next step?</p> <p>7 A. The cross-ruffers embark on the</p> <p>8 process of conducting interviews with regards to</p> <p>9 the candidates that have been assigned to them,</p> <p>10 and that interview process covers roughly a four-</p> <p>11 to six-week period.</p> <p>12 Q. Okay. And what is the next step?</p> <p>13 A. Midway through that process, the</p> <p>14 cross-ruffers would come together for a mid</p> <p>15 cross-ruffing checkpoint to ensure that they're</p> <p>16 making progress completing the interviews that</p> <p>17 they need to in order to gather adequate</p> <p>18 information about the candidates assigned to them</p> <p>19 and to highlight any questions or concerns about</p> <p>20 lack of information, lack of insight. They're</p> <p>21 gathering other issues that might come up. And</p> <p>22 then they will go and spend the remaining two to</p> <p>23 four weeks completing those interviews.</p> <p>24 Q. Does each cross-ruffer on the IBD</p> <p>25 cross-ruffing team interview each candidate?</p>	<p>1 appropriate.</p> <p>2 Q. Are candidates interviewed by more</p> <p>3 than one cross-ruffer?</p> <p>4 MS. HAN: Objection, vague.</p> <p>5 A. Candidates are not interviewed.</p> <p>6 People who have insights on a candidate are</p> <p>7 interviewed, just to be clear. So a person might</p> <p>8 be contacted by a cross-ruffer with respect to</p> <p>9 multiple candidates if they have input on</p> <p>10 multiple candidates.</p> <p>11 Q. And once the cross-ruffing team has</p> <p>12 completed their interviews, what is the next</p> <p>13 step?</p> <p>14 A. All of the cross-ruffers come</p> <p>15 together for a lengthy day-long meeting where the</p> <p>16 results of that cross-ruffing is discussed and</p> <p>17 shared as a group with the cross-ruffing captain,</p> <p>18 members of the IBD HCM team, with the purpose of</p> <p>19 coming up with a -- a rank-ordered list of the</p> <p>20 candidates.</p> <p>21 Q. What happens if the cross-ruffers</p> <p>22 can't agree on the rank order of the candidates?</p> <p>23 A. The cross-ruffing captain ultimately</p> <p>24 has the responsibility to identify the rankings.</p> <p>25 He or she would spend whatever time it took to</p>
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<p>1 A. No. Each cross-ruffer is assigned a</p> <p>2 specific number of candidates that he or she</p> <p>3 would be responsible for conducting interviews</p> <p>4 about.</p> <p>5 Q. And how is it determined which</p> <p>6 cross-ruffers interview which candidates?</p> <p>7 A. The cross-ruffer conducting the</p> <p>8 interviews is typically somebody not associated</p> <p>9 or affiliated with the business unit or region</p> <p>10 that those candidates are from to provide outside</p> <p>11 perspectives into the feedback that one is</p> <p>12 receiving. And the candidates themselves tend to</p> <p>13 be grouped, to the extent possible, from the same</p> <p>14 business unit or same region so that they're able</p> <p>15 to make judgments about the comparability of</p> <p>16 candidates based on the information that they're</p> <p>17 receiving from the interview, people that they're</p> <p>18 interviewing.</p> <p>19 Q. And who makes the decision as to</p> <p>20 which candidates are assigned to which</p> <p>21 cross-ruffers?</p> <p>22 A. The initial suggestions are outlined</p> <p>23 by the IBD HCM team and then reviewed with the</p> <p>24 cross-ruffing -- cross-ruffing captain to ensure</p> <p>25 that -- that that mix and that spread is</p>	<p>1 have conversations between and among the</p> <p>2 cross-ruffers in order to make that judgment.</p> <p>3 Sometimes it would require follow-up</p> <p>4 conversations that the cross-ruffing captain</p> <p>5 might have with certain people individually to</p> <p>6 help him or her make those judgments and</p> <p>7 decisions.</p> <p>8 Q. What documents are generated from</p> <p>9 the cross-ruffers interviews?</p> <p>10 A. There is an interview template that</p> <p>11 each cross-ruffer utilizes to record the</p> <p>12 interviews that they're taking, that covers the</p> <p>13 primary criteria that is discussed in those</p> <p>14 interviews. And then, from that, a candidate</p> <p>15 summary is developed where the cross-ruffer will</p> <p>16 summarize the results of those interviews into a</p> <p>17 one-page document.</p> <p>18 Q. And what documents are generated</p> <p>19 from the -- this day-long meeting after the</p> <p>20 interviews are concluded that you were just</p> <p>21 describing?</p> <p>22 A. The primary output of that meeting</p> <p>23 is the ranked list of the candidates, 1 through</p> <p>24 X.</p> <p>25 Q. And what is the next step after that</p>

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<p>1 ranked list is created?</p> <p>2 A. That list gets submitted to the</p> <p>3 firm-wide talent assessment group, and that list</p> <p>4 is reviewed by the firm-wide talent assessment</p> <p>5 group.</p> <p>6 Q. Is it also reviewed by the IBD</p> <p>7 leaders?</p> <p>8 A. It is shared with IBD division</p> <p>9 heads, as well, at that point. And the division</p> <p>10 heads would have a meeting with the cross-ruffing</p> <p>11 captain to understand the rationale and insights</p> <p>12 behind the rankings that came out of those</p> <p>13 meetings.</p> <p>14 Q. Does that meeting between the</p> <p>15 division heads and the cross-ruffing captain take</p> <p>16 place before the results are shared with the</p> <p>17 talent assessment group?</p> <p>18 A. I don't -- I don't -- it may vary.</p> <p>19 I'm not sure.</p> <p>20 Q. Do the division heads have the</p> <p>21 ability to change the rank order of the</p> <p>22 candidates?</p> <p>23 A. The rank order was created by the</p> <p>24 cross-ruffing captains, gets submitted by the</p> <p>25 cross-ruffing captain. The division heads have</p>	<p>1 A. The cross-ruffing captain has the</p> <p>2 opportunity to meet with a subcommittee of the</p> <p>3 management committee of the firm who has been</p> <p>4 assigned the responsibility of promotions for</p> <p>5 that particular year and explain the rationale</p> <p>6 and reason behind their rankings. The division</p> <p>7 heads have the opportunity to do the same thing</p> <p>8 with regards to the rankings they have created.</p> <p>9 Q. And that management committee or the</p> <p>10 subcommittee has the final decision-making</p> <p>11 authority; is that correct?</p> <p>12 MS. HAN: Objection, misstates</p> <p>13 testimony.</p> <p>14 A. The final list that gets created</p> <p>15 reflects the input of all of those meetings.</p> <p>16 Q. But which entity has the final</p> <p>17 decision-making authority?</p> <p>18 A. The division heads of the business</p> <p>19 put forward the final list which is ultimately</p> <p>20 approved by the management committee of the firm.</p> <p>21 Q. And is it accurate that those</p> <p>22 candidates ranking highest on that list are the</p> <p>23 candidates who will be promoted?</p> <p>24 A. Generally, yes.</p> <p>25 Q. Why wouldn't they be?</p>
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<p>1 an opportunity to submit their own independent</p> <p>2 ranking to the firm-wide talent assessment group</p> <p>3 as well.</p> <p>4 Q. Are they required to do so?</p> <p>5 A. Yes.</p> <p>6 Q. And what is the division heads'</p> <p>7 ranking based on?</p> <p>8 MS. HAN: Objection, vague.</p> <p>9 A. It's -- the division heads develop</p> <p>10 their ranking based on a number of factors; one</p> <p>11 factor is the results from the cross-ruffing</p> <p>12 process that was conducted, the second factor is</p> <p>13 their business judgment and overlay that reflects</p> <p>14 the priorities and needs of the various</p> <p>15 businesses.</p> <p>16 Q. In the event that the rank order</p> <p>17 list submitted by the division heads and the rank</p> <p>18 order list submitted by the cross-ruffing captain</p> <p>19 and the talent assessment group is different,</p> <p>20 does the talent assessment group have authority</p> <p>21 to decide which list to implement?</p> <p>22 MS. HAN: Objection. Vague.</p> <p>23 A. No, they do not.</p> <p>24 Q. What is the next step after those</p> <p>25 two lists are submitted?</p>	<p>1 A. They would be. What is unclear,</p> <p>2 until the very end of the process, is how many of</p> <p>3 them get promoted. So do you draw the line on</p> <p>4 number 40 or number 60 or number --</p> <p>5 Q. Sure. Sure.</p> <p>6 MS. SHAVER: We are, I think, out of</p> <p>7 time on the tape so let's take a break.</p> <p>8 THE VIDEO OPERATOR: This marks the</p> <p>9 end of Tape 6. The time is 5:50 p.m., on</p> <p>10 June 12, 2013. We're now off the record.</p> <p>11 (Time noted: 5:50 p.m.)</p> <p>12 (A brief recess is taken.)</p> <p>13 (Time noted: 6:37 p.m.)</p> <p>14 THE VIDEO OPERATOR: This is Tape 7</p> <p>15 in the deposition of Bruce Larson, 30(b)(6)</p> <p>16 for Goldman Sachs. The time is 6:37 p.m.</p> <p>17 on June 12, 2013. We're now back on the</p> <p>18 record. You may proceed.</p> <p>19 BY MS. SHAVER:</p> <p>20 Q. Who decides how many IBD candidates</p> <p>21 get promoted?</p> <p>22 A. That is a conversation involving the</p> <p>23 division heads of IBD and the management</p> <p>24 committee of the firm, it's really a</p> <p>25 back-and-forth -- I don't know that one group</p>

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<p>1 ultimately says that this is the number. It 2 really -- they sort of arrive at the appropriate 3 number through the course of the conversation of 4 the process. 5 Q. And is the management committee 6 doing the same thing with the other divisions? 7 A. Yes. 8 Q. So the management committee has the 9 view of how many overall candidates are going to 10 be promoted to managing director? 11 A. Yes. 12 Q. In putting together the 13 cross-ruffing team -- 14 A. Mm-hmm. 15 Q. -- is it accurate that the division 16 heads and divisional HCM put together the 17 cross-ruffing team? 18 A. Yes. 19 Q. And what do they consider in 20 deciding who should be on that team? 21 A. They consider a few factors. The 22 breadth of representation across the businesses 23 and regions of the division, people who have good 24 judgment and good insights and are generally 25 thoughtful about people-related issues in the</p>	<p>1 MS. SHAVER: Let's mark this as the 2 next exhibit. 3 (Plaintiff's Exhibit 151, document 4 bearing Bates numbers GS 0113568 - GS 5 0113589, marked for identification.) 6 MS. SULLIVAN: What number is it? 7 THE COURT REPORTER: 151. 8 THE WITNESS: Thank you. 9 Q. Do you recognize this document? 10 A. Yes. 11 Q. What is the subcommittee on MD and 12 PCP selection of the partnership committee? 13 A. The partnership committee has some 14 involvement early on in the selection process 15 with regards to managing directors and partners. 16 And so this is probably referring to a 17 subcommittee of that, that had particular 18 oversight or involvement in the process that 19 year. 20 Q. Mm-hmm. 21 Do you know how long that committee 22 existed, the subcommittee? 23 A. I don't. 24 Q. Does it still exist? 25 A. I don't believe the subcommittee</p>
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<p>1 business, and good representation from a 2 diversity standpoint, in terms of the people on 3 the -- conducting the interviewing. 4 Q. And do you know how they determine 5 who has good judgment and good insights? 6 A. Basically just on their experience 7 interacting with those senior people over the 8 years, and their own judgment as to who's 9 thoughtful and considerate about people issues 10 and who is not. 11 Q. Who is eligible to be a 12 cross-ruffer? 13 A. Really, any managing director or 14 partner of the division is eligible to be 15 considered. 16 Q. Is there any guidance from the 17 firm-wide talent assessment group on how to 18 choose the cross-ruffing team? 19 A. They give guidance to ensure that 20 you're being thoughtful about the categories that 21 I mentioned. So consistent with the same kind of 22 things that we consider. 23 Q. Is that guidance in written form? 24 A. I'm not aware of whether it's in 25 written form or not.</p>	<p>1 REDACTED FILED UNDER SEAL 2 REDACTED FILED UNDER SEAL 3 REDACTED FILED UNDER SEAL 4 REDACTED FILED UNDER SEAL 5 REDACTED FILED UNDER SEAL 6 REDACTED FILED UNDER SEAL 7 REDACTED FILED UNDER SEAL 8 REDACTED FILED UNDER SEAL 9 REDACTED FILED UNDER SEAL 10 REDACTED FILED UNDER SEAL 11 REDACTED FILED UNDER SEAL 12 REDACTED FILED UNDER SEAL 13 REDACTED FILED UNDER SEAL 14 REDACTED FILED UNDER SEAL 15 REDACTED FILED UNDER SEAL 16 REDACTED FILED UNDER SEAL 17 REDACTED FILED UNDER SEAL 18 REDACTED FILED UNDER SEAL 19 REDACTED FILED UNDER SEAL 20 REDACTED FILED UNDER SEAL 21 REDACTED FILED UNDER SEAL 22 REDACTED FILED UNDER SEAL 23 REDACTED FILED UNDER SEAL 24 REDACTED FILED UNDER SEAL 25 REDACTED FILED UNDER SEAL</p>

**DECLARATION OF THEODORE O. ROGERS, JR.
IN OPPOSITION TO PLAINTIFFS' MOTION FOR
CLASS CERTIFICATION**

**EXHIBIT 11 - TRANSCRIPT OF THE DEPOSITION OF BRUCE LARSON
(PAGES 254-313)**

FILED UNDER SEAL